

West Virginia adds Direct 529 plan to its college savings lineup

CHARLESTON -- West Virginia has added a new 529 college savings plan to its family of SMART529 college savings options. The new plan, called *SMART529 Select*, gives college savers access to premier money manager Dimensional Fund Advisors (DFA) -- a first for any 529 college savings plan. SMART529 Select can be purchased directly by investors nationwide.

"SMART529 Select provides a step forward for 529 plans by offering access to a series of pre-allocated funds based on strategies developed by Dimensional," said West Virginia Treasurer John Perdue, chairman of the West Virginia College Prepaid Tuition and Savings Program Board of Trustees, the state agency responsible for the program. "Our hope is that this product will encourage more families to make a serious commitment to college savings."

Dimensional's distinctive approach blends academic findings with practical investing: it seeks to buy and hold the securities that best represent an asset class, maximizing growth potential while minimizing turnover and transaction costs. This can help ensure consistent and pure asset class exposure, minimal style drift, as well as transparent management.

SMART529 Select is a qualified tuition program, as defined under Section 529 of the Internal Revenue Code, which offers flexible features in addition to the numerous tax advantages inherent in 529 plans. SMART529 Select offers:

- A wide range of investment portfolios utilizing DFA funds
 - No sales charges, and the ability to invest direct nationwide
 - Award-winning customer service from a leading financial services group
 - Federal income tax-free withdrawals taken for qualified higher education expenses
 - Low initial contribution of \$500; high account maximum of \$265,620
 - Moderate annual total expense ratios ranging from .75% to 1.1%
 - Easy account enrollment through program web site
- www.smart529select.com**

Similar 529 plans have been gaining in popularity as college costs continue to mount. Plan assets nationwide rose to an estimated \$42.97 billion, up almost 70% from June 2003. Besides the federal tax advantages, these plans have other notable features:

- No income restrictions, which can be important, as scholarships and other financial aid resources are limited for high-income households.
- Parents, grandparents and other family members and friends can open or add to an account for any beneficiary.
- Up to \$55,000 can be gifted to any beneficiary – married couples may gift up to \$110,000) once per five-year period without federal gift tax.
- Generally, amounts invested are removed from the donor's taxable estate and may also be eligible for a state income tax deduction.
- The account owner chooses the investment options and maintains complete control of withdrawals.

Additional information and offering statements can be obtained by calling toll-free (877) SMRT529 or visiting www.SMART529Select.com.

SMART529 Select is a plan of the Board of Trustees of the West Virginia College Prepaid Tuition and Savings Program, State Treasurer John Perdue, Chairman. Program administration services for SMART529 Select are provided by Hartford Life Insurance Company.

West Virginia offers special state tax incentives for West Virginia taxpayers who invest in SMART529 Select. If you reside in or have taxable income in a state other than West Virginia, you should consider whether your state has a qualified tuition program that offers favorable state income tax or other benefits exclusive to your state's program that are not available under the SMART529 Select program. Taxpayers and residents of other states who are interested in exploring such tax consequences should consult with a qualified tax advisor.

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